

ATTACHMENT 1

We have reviewed our structural capability and attempted to match it to an appropriate Harmonized Tariff Schedule (HTS) to determine if our products are covered under the ongoing Section 201 case. The attached list represents all angles (equal and unequal leg), channels, I-beams, and tees. We obtained a copy of the HTS from the ITC website along with a copy of the General Information, Instructions and Definitions for the Commission's questionnaire. We used the later to identify the stainless steel shapes included in the survey in Sec. D, sub-section 25, 'bar and light shapes'.

Using the two lists to cross match the applicable HTS, it would appear that our products could be included under the HTS general heading 7222. The individual items are listed below by 10-digit tariff number and a brief description of each.

7222.40	Angles, shapes, and sections
7222.40.30	Hot rolled
	With a maximum cross sectional dimension of $\geq 80\text{mm}$
7222.40.30.25	Angles
7222.40.30.45	Other
	With a maximum cross sectional dimension of $< 80\text{mm}$
7222.40.30.65	Angles
7222.40.30.85	Other
7222.40.60.0	Other

While this sub-section states **hot rolled**, the major definition of section 7222 allows for hot rolled, hot drawn, or extruded. It is unclear if extruded shapes are included in the above sub-section. We could find no other HTS that specifically states extruded angles or shapes. We also do not have access to the import paperwork for these products to determine what our foreign competitors state on their shipping documents and/or what the extruded material is classified as at the port of entry.

We also investigated the specific data available from the ITC. We constructed a query from their database using the above HTS numbers for the year 2001. The amount reported as imported from Japan and Germany (our primary sources of competition) does not appear to be nearly the amount we would estimate given the material in the country and what our customers tell us is available. It again begs the question what HTS classification these imports carry.

The following table lists our activity in ship tons for the last 3 years and year 2001 through 3Q.

<u>PRODUCT GROUP</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001 3Q</u>
Carbon Steel Shapes	672	484	572	342
SS Shapes	1422	397	454	520
SS Structural	<u>1794</u>	<u>742</u>	<u>494</u>	<u>528</u>
Total	3888	1623	1520	1390

As you can see, there has been a precipitous drop in the volume of SS shapes and structural products over the last 4 years even though we have **increased** the size and product range we offer to the market. To retain the less than one third of the business we once had four years ago, we have been forced to reduce selling prices by 20%. Pricing at this level covers just variable cost and a portion of fixed cost with no profit margin.